

Message Text

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ACTION EB-11

INFO OCT-01 ARA-11 ADP-00 CAB-09 CIAE-00 COME-00 DODE-00

INR-09 NSAE-00 RSC-01 FAA-00 L-03 SS-14 NSC-10 PA-03

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R 131900 Z MAR 73

FM AMEMBASSY BRIDGETOWN

TO SECSTATE WASHDC 5492

INFO AMEMBASSY GEORGETOWN

AMEMBASSY KINGSTON

AMEMBASSY PORT OF SPAIN

UNCLAS BRIDGETOWN 0366

C O R R E C T E D C O P Y - P A R A F O U R

E. O. 11652: N/A

TAGS: ETRN IATA BB

SUBJ: BARROW ATTACKS IATA

1. PRIME MINISTER ERROL BARROW IN ADDRESSING FIRST MEETING OF COMMONWEALTH CARIBBEAN ADVISORY COMMITTEE ON INTERNATIONAL AIR FARES AND RATES, APPOINTED BY COMMONWEALTH CARIBBEAN HEADS OF GOVERNMENT MEETING LAST OCTOBER, RENEWED HIS ATTACK AGAINST IATA, SHARPLY QUESTIONING IATA'S RIGHT TO FIX AIR FARES AT EXPENSE OF INDIVIDUAL COUNTRIES.

2. BARROW WARNED " I WANT TO MAKE IT ABUNDANTLY CLEAR" THAT ACTIONS BY ANY COUNTRY, WHETHER BY US, UK, OR CANADA, WHICH ATTEMPT TO BY-PASS OR SHORT CIRCUIT THE AUTHORITY WHICH HAD BEEN ESTABLISHED BY STATUTE LAW OF BARBADOS TO REGULATE AIR FARES AND AIR SERVICES, WOULD NOT MEET WITH APPROVAL, CONDONATION OR RATIFICATION OF GOB, AND HE HOPED OTHER COMMONWEALTH CARIBBEAN COUNTRIES WOULD PURSUE SIMILAR POLICY. BARROW STATED HE DID " NOT BELIEVE IN THE DOCTRINE OF LIMITED SOVEREIGNTY, AND THEY CANNOT TELL THE GOB WHAT KIND OF LANDING FEES WE SHOULD CHARGE OR HOW WE SHOULD REGULATE OUR ACCOUNTS FOR WEAWELL INTERNATIONAL AIR-
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PORT, AS THEY HAVE ATTEMPTED TO DO FROM TIME TO TIME."

3. BARROW SAID CARIBBEAN COUNTRIES ARE " UP AGAINST THE ATTITUDES OF THE BIGGEST INTERNATIONAL CARTEL IN THE WHOLE WIDE WORLD-IATA." HE SAID " I AM NOT A SUPPORTER OF CARTELS AND PRICE-FIXING ORGANISATIONS. I RECOGNISE THAT IT IS IN THE INTEREST OF PEOPLE OPERATING AIRLINES TO GET TOGETHER IN THE MUTUAL INTEREST IN ORDER TO SEE WHETHER THEY COULD OBIVIATE CUT-THROAT COMPETITION AND SURVEY UNNECESSARY LOSSES OF THE CAPITAL INVESTMENTS OF THEIR SHAREHOLDERS. THAT IS QUITE A LEGITIMATE PURSUIT IN A CAPITALISTIC WORLD. BUT WHAT I DO NOT AGREE TO IS THAT THE COMMONWEALTH CARIBBEAN SHOULD BE REGARDED AS A KIND OF WASTEPAPER BASKET FOR THESE INTERNATIONAL AIR FARES, AND THAT WHEREAS IN THE MID- ATLANTIC, OR TRANS- ATLANTIC, AND IN OTHER SECTORS YOU WILL FIND AN ELEMENT OF OPEN COMPETITION ACTING AS A SAFETY VALVE AGAINST THE PRICE- FIXING MECHANISMS OF IATA, HERE IN THE CARIBBEAN WE ARE IGNORED, AND FREQUENTLY WHEN THERE ARE DECREASES IN THE RATE STRUCTURE IN THE ATLANTIC THEY ARE ATTENDED BY AUTOMATIC INCREASES IN THE CARIBBEAN."

4. BARROW POINTED OUT THAT IATA RULES ARE NOT INVIOATE AND URGED COMMITTEE NOT TO BELIEVE THEY HAD TO SLAVISHLY FOLLOW IATA DECISIONS. THE COMMITTEE IS TO EXAMINE PROPOSALS FOR NEW AIR FARES BETWEEN THE CARIBBEAN AND POINTS IN NORTH AMERICA, AND REPORT ITS RECOMMENDATIONS TO HEADS OF GOVERNMENT CONFERENCE SCHEDULED TO BEGIN APRIL 9.

COMMENT: BARROW'S ADDRESS, COVERED BY RADIO AND TELEVISION, RECEIVED FRONT PAGE NEWS STORY. HIS VIEWS ON IATA ARE LONG STANDING (SEE BRIDGETOWN A-9, 1/29/71), BUT THIS IS THE FIRST TIME HE HAS STATED THEM SO PUBLICLY, FIRMLY, AND IN NEW VENUE. TV NEWSCASTER MENTIONED COINCIDENCE THAT IATA HAD JUST ANNOUNCED THAT WORLD'S MAJOR AIRLINES HAD COME TO INTERIM AGREEMENT TO ADJUST FARES FOLLOWING DEVALUATION OF US DOLLAR, BY WHICH COUNTRIES WHOSE CURRENCY HAS GONE DOWN OR FLOATED WITH THE DOLLAR WILL RAISE FARE PRICES BETWEEN 2 AND 11 PERCENT, WHILE NON- DEVALUING COUNTRIES' FARES WILL REMAIN THE SAME.
DONOVAN

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